



## *Housing Privatization Special Bulletin*

### **"The Benefits of Privatization"**

#### **Why Privatize?**

"...bleak, utilitarian units that toe the streets like soldiers at attention." That's how one Omaha World Herald writer described military family housing as it exists today. This is actually a pretty good metaphor. And it's a metaphor the Air Force is not particularly proud of. Over 50 percent of Air Force housing doesn't meet modern standards. The lack of suitable housing for military families throughout Air Force installations is negatively impacting the quality of life that our Airmen and their dependents deserve. In response, the Department of Defense has decided the most viable means of revitalizing housing for all services in a reasonable time is to transfer it to a private developer who can generate the capitol necessary to make the required improvements while simultaneously preserving the benefits of military housing for military members. The developer gets an opportunity to generate revenue, the military families get much needed improved housing. This win-win concept is referred to as the Military Family Housing Privatization Initiative or MFHPI and it's happening at Offutt AFB.



Privatized Unit at Lackland AFB

#### **Rumors**

For most military members, the idea of modernized housing is an exciting one. Unfortunately, this excitement is often squelched by the uneasiness that comes with the uncertainty associated with a private entity owning and operating military family housing. Concerns range from legitimate questions such as "How will a private developer understand military needs?" to ridiculous rumors like "Capehart is going to turn into low income housing."

It's understandable that any change is bound to cause some anxiety. However, it is also imperative to understand that the Air Force is working diligently to structure this "deal" so that not only are the benefits of military housing maintained but several other significant "perks" will be realized as well. This bulletin is aimed at informing military families of the benefits of privatization and illustrating why staying on base will continue to be the best alternative for military members.

#### **Why Should I Live in Privatized Housing?**

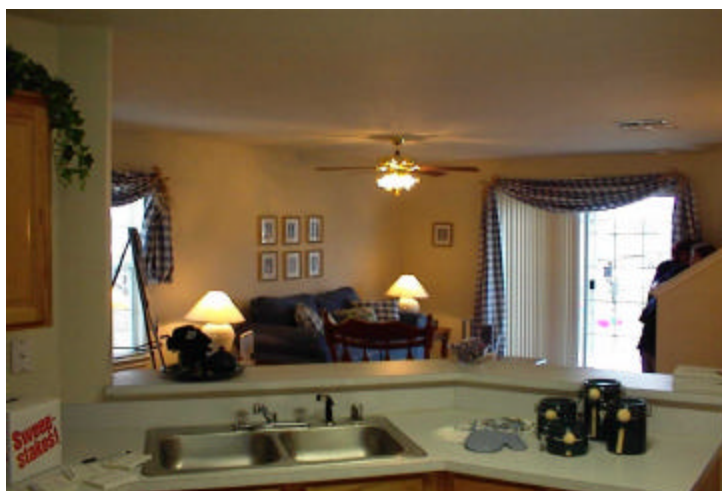
To begin gauging the benefits of housing privatization, one has to first ask, "Why do I live on base now?" Reasons may vary but below are the most probable ones as well as an explanation on how and why they will still be valid after privatization is initiated:

**Affordability:** Perhaps the biggest reason most people live on base is that it's cheap. Well, under privatization, even though you'll have to pay rent, you'll receive an additional allowance (i.e., Base Allowance for Housing or BAH) to cover the cost. Because the rental amount will be based on **your** BAH, it's guaranteed to be covered. In the private sector, you'd be pressed to find anyone willing to base rent simply on how much you can pay. The other item occupants will have to pay for under privatization is gas and electricity. Again, your BAH is designed to cover this cost. A utility allowance equal to 110% of the estimated utilities cost for your unit will be subtracted from your BAH to establish your monthly rent. This system is designed to make it as affordable for military members as reasonably possible. You won't find anything like this downtown. Most likely, rent alone will suck up your entire BAH leaving nothing for utilities.

**Proximity to Work and Other Base Facilities:** Living close to the base has tremendous advantages. Not only does it save time and gas getting to and from work every day but it also provides more incentive to take advantage of base facilities such as the BX, Commissary, Base Gym, Child Development Center and others. When you aren't close to these facilities, you tend to not use them as much and in doing so indirectly deprive yourself of some of the advantages of being a military member. Because under privatization, the housing areas will remain in the same locations (i.e., Capehart, Wherry, and Coffman Heights) the advantages associated with their proximity to base facilities will remain.

**Proximity to Schools:** Along the same lines as proximity to base facilities, living near your children's school is also a great convenience. Staying in base housing after privatization will not only allow this convenience to continue but will also ensure that your child does not have to change schools. It has already been worked out with the Bellevue Public Schools that children can remain enrolled in their present school (if desired) even if you are required to move out of that school's attendance boundary to accommodate privatization construction activities.

**Security:** A distinct advantage for facilities on any military installation is the added security. Wherry/Coffman Heights already have restricted access due to their location on the main base. And although Capehart doesn't currently have permanent security features, when the Threatcon



Lackland AFB Unit Interior

Level increased after September 11, 2001, the base was able to implement additional security measures (e.g., concrete barricades) to protect military families. Under privatization, security will not only continue but will be increased via construction of a perimeter fence with gated access around Capehart, increased security lighting, and other features. The base Security Forces will also continue to be responsible for force protection in all of the housing areas. The Security Forces Substation will relocate to a more convenient spot, but still remain in Capehart. And Sarpy County will continue to have officers locating in the Substation. So the Air Force can and will continue to ensure any special military security requirements can be maintained when required (e.g., as threatcon levels increase).

**Military Community and Support:** There is a lot to be said for being part of a community that is sensitive to your needs. An unstable world climate, long deployments, and sometimes dangerous work requirements are a few lifestyle elements unique to military members. A military community offers a shoulder to lean on and helping hands to aid families during times of high stress. Knowing that your family will be among others facing the same challenges goes a long way in helping people cope with the emotional strain of military life. Because this is not as tangible as some of the other benefits, it is often the most overlooked

### **What Else?**

In addition to the benefits of military housing that will continue as part of privatization, there are also several additional incentives that privatization will bring to military families. These include:

**Revitalized Housing Units:** Lest we forget, the sole reason for doing all of this is to provide military families with much needed and much deserved quality housing. In the quest to understand housing privatization and to overcome the anxiety associated with change, individuals tend to forget that at the end of the proverbial rainbow is a fully revitalized housing community that is affordable to all members. Offutt has somewhat of an advantage over other bases in that its members can see a prime example of what privatization is trying to achieve in the beautiful new Coffman Heights area. Units around Peter Sarpy School are another example of how existing units can be renovated if they do not get replaced.

### **Rent Increases Dependent on BAH Increases:**

In the outside world, rent normally increases at least once a year and the amount of the increase is based on whatever the market will bear. In privatized housing, your rent may also increase once a year but only by the amount your BAH increases. Therefore, it will never be raised to the point where you can no longer afford it.

**Free Renter's Insurance:** Under privatization, the developer is required to offer tenants renter's insurance covering up to \$40,000 at no charge to the occupant. That's right, free renter's insurance!



Coffman Heights

**A Voice:** The Management Review Committee (MRC) is an entity that the Air Force will utilize to oversee the developer and resolve issues throughout the privatization process. It will be chaired by the Wing Commander and consist of representatives from key base organizations, local community interests, the developer and you the tenants. The Air Force recognizes that in order for occupants' needs to be fulfilled, it is absolutely essential to allow them to have a voice in the process. The MRC will provide this by giving the occupants the opportunity to raise concerns and have a say in how decisions are made. This is another feature you are unlikely to find in private sector housing.

**Garages, Yards, Etc.:** With the climate at Offutt being what it is, the convenience of having a garage is undeniable. After all of the privatization construction requirements are completed, almost every unit will have a garage. Not a carport but a garage. No more scrapping of the frost covered windows in mid January. If you rent an apartment downtown, a garage will typically cost an additional \$40-\$50. In addition, yards are something that just aren't available at apartment complexes, and even though not all yards on base are as big as desired, they at least provide some play space for kids and pets. Privatization will include increased recreational areas and playgrounds as well.

**"In-to-Pocket":** A special benefit exists for military members married to other military members. Currently, it may make more economic sense to live downtown for two married military members because you each receive BAH based on your rank. If you can manage to find an affordable housing unit, there is a definite opportunity to make a little extra money. Well, under privatization, that same opportunity will exist if you live on base. Each will receive BAH but the rent will be based only on the senior members BAH (with dependent rate)! This way, you realize all the benefits already discussed plus the opportunity to pocket some additional cash.

### **Why Not?**

Most, if not all, of the benefits described above will not only be realized at Offutt but also at other installations undergoing housing privatization. In summary, although privatization does present some new ways of doing things, in the end it will drastically improve the quality of military housing and be by far and away the best choice available for serving military needs. Hopefully, after reading this, you'll begin to see that the benefits of military housing will be retained and the opportunity to live in a bright new community will be well worth the changes.



Robins AFB Privatized Unit



Elmendorf AFB Privatized Unit

Visit the Housing Privatization Web Page at [www.offutt.af.mil](http://www.offutt.af.mil) (under Business Opportunities)

If you have any questions regarding housing privatization, please contact Mr. Chris Wolf at 294-1149